

NORTHSTAR

FINANCIAL PARTNERS

April 2022



What a quarter, three months that have led to more questions than answers. We saw the worst quarter for bonds in almost 40 years (nearly 6% loss), Russia invaded Ukraine and inflation in February read at 7.9%, highest since 1982.

It may surprise you to hear that the S & P 500 is up almost 6% since the day Russia invaded Ukraine (Feb. 24th), yet the same index is down 5.2% since January first. It tells us that at this point the market is more concerned with inflation than a greater conflict with Russia.

Market Summary

As of March 31st, 2022

S&P 500:	4,530.41
Dow Ind.:	34,678.35
Nasdaq:	14,220.52
10 YR Treas.:	2.393%

The war in Ukraine is having ancillary effects on inflation, as both Russia and Ukraine account for large shares of the world's supply of wheat, corn, nickel, oil and gas production. The Federal Reserve will have its work cut out for it, to combat rising prices with rising interest rates, while eluding a potential recession. They are expected to raise rates 5-7 more times in 2022.

- Business and consumer spending remains high in many areas.
- Consumer Staples are back in fashion as investors look for companies that can easily pass on rising prices. For how long and to what extent is still to be determined.
- Interest rates are still relatively low, but have moved upward. A 30 year mortgage is averaging between 4.5% - 5% around the nation, up from the mid 2's just a few months ago. Look for this trend to continue in 2022.
- Is there an opportunity in bonds? Owning and holding the proper types of bonds in an inflationary environment is key. We are watching this closely and acting accordingly.

We expect the markets to end the year in positive territory, but we will have a lot of volatility along the way. The Federal Reserve will be walking a tightrope the rest of the year as it normalizes interest rates. The cheap rates are making way for reasonable interest rates, maybe that's not such a bad thing..... 😊

Spring has sprung and our lawns are getting their first bit of sunshine in several months. Many of us are trying to remind ourselves, when do we put down the crabgrass preventer? Have a look at this website for all your early spring lawn care needs!

<https://www.scotts.com/en-us/library/scotts-way/spring-lawn-care-tips>

Spring cleaning? Need a place to shred all your old documents? We are hosting a shredding event at our Mendota Heights location! **FRIDAY MAY 13, 10AM – NOON. 2303 Waters Drive Mendota Heights, MN 55120.**

Last quarter we welcomed Kirsten Keefe as our newest advisor, she has exceeded expectations and running full speed ahead. This quarter we are looking to hire a new Marketing and Communications associate at our Mendota Heights location, to replace Dawn Pfannkuch. After over seven years with our firm, Dawn has decided to focus on her family full time. We couldn't be happier for Dawn and wish her the best of luck in the future. The new hire will be our face and voice of the firm and we are hoping to have the spot filled in the next few weeks, stay tuned!

Thank you and take care-



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S&P 500: The Standard & Poor's (S&P) 500 Index tracks the performance of 500 widely held, large-capitalization US stocks. The Barclays US Aggregate Index covers the dollar-denominated investment-grade fixed-rate taxable bond market. The Morgan Stanley Capital International Europe, Australia, Far East (MSCI EAFE) Index is a capitalization-weighted index that tracks the total return of common stocks in 21 developed-market countries within Europe, Australia and the Far East. DJIA- A price-weighted average of 30 actively traded blue-chip stocks, primarily industrials including stocks that trade on the New York Stock Exchange Nasdaq- A market-capitalization weighted index of the more than 3,000 common equities listed on the Nasdaq stock exchange